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NAFA Fleet Executive

The Magazine for Vehicle Management
December 1989

NAFA's 1990 Conference Blasts Off to Houston

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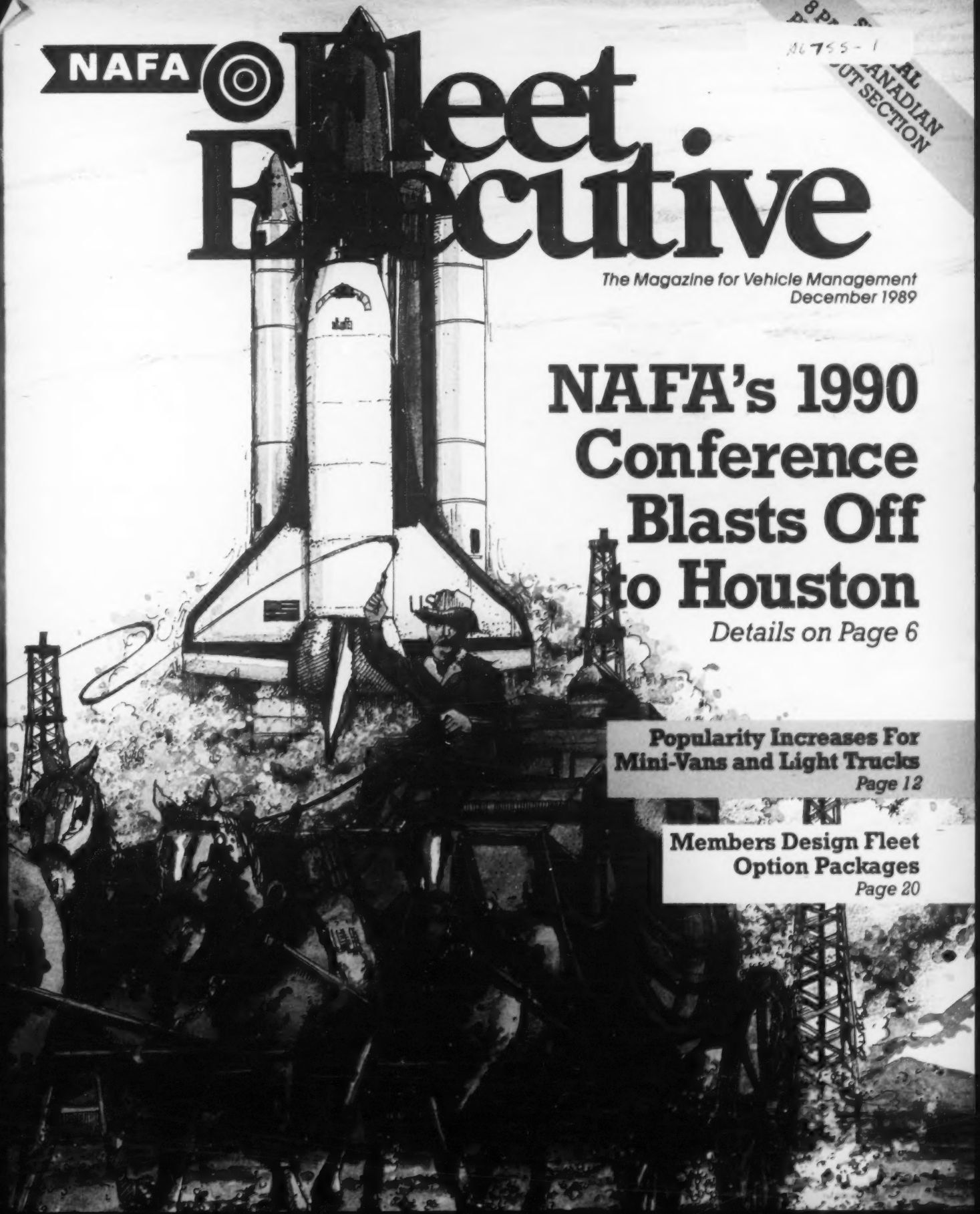

Popularity Increases For Mini-Vans and Light Trucks
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Members Design Fleet Option Packages
Page 20

For more than 30 years, the voice of fleet managers across the United States and Canada.

NAFA Fleet Executive

The Magazine for Vehicle Management

December 1989

Cover art by Jeff Calvert

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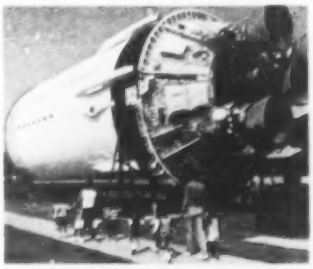

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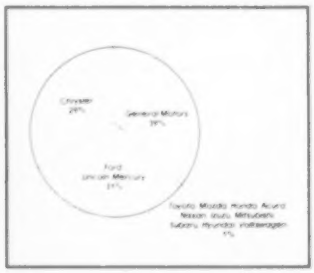

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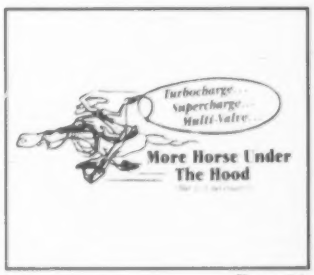

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Mark your calendar for the Association's upcoming extravaganza in Houston, Texas. This preliminary information is sure to whet your appetite.

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Made In The USA

Fleets Still Overwhelmingly Buy American

Fleets in the United States and Canada will purchase or lease more than 123,000 1990 model year cars, vans and light-duty trucks—at a cost of more than $1.6 billion—during the upcoming months, according to results of NAFA's 1990 Model Year New Vehicle Acquisition Survey.

Of the 123,419 new model year vehicles to be purchased or leased, 63 percent will be automobiles, 20 percent will be vans and 17 percent will be light-duty trucks, according to survey results. This is a dramatic change from last year's survey results where nearly three-quarters of the new purchases were cars, 13 percent were vans and 14 percent were light-duty trucks.

Responding fleet managers also said they expect to pay an average of $12,854 (up $50 from last year) for each automobile, $14,272 (+$926) for each van and $14,194 (+$848) for each light-duty truck. At those costs, responding fleets will pay a total of $1,660,775,498 for the 123,419 new model year vehicles they purchase or lease.

Still Buying North American

Fleet managers placing orders for 1990 model year vehicles (60 percent said they place orders in the fall) said General Motors Corporation and its divisions will receive 39 percent of their orders. Ford/Lincoln-Mercury will receive 31 percent of fleet orders and Chrysler/Jeep will receive 29 percent. Chrysler/Jeep had the greatest percentage increase of fleet orders over last year's survey results: 11 percent, compared with GM's five percent and Ford/Lincoln-Mercury's 0.7 percent.

All imports listed on the survey form or written in by respondents (Toyota, Mazda, Honda, Acura, Nissan, Isuzu, Mitsubishi, Subaru, Hyundai and Volkswagen) ***combined*** will get one percent of 1990 fleet orders, according to results.

Call It Consistency

While 64 percent of responding fleets do not plan any changes in their fleet operations within the next year, 20 percent said they will increase the number of vehicles in their fleets and six percent will decrease the number of vehicles in their fleets. Also, six percent will lease vehicles previously purchased, while three percent will purchase vehicles previously leased. Less than one percent (0.8 percent) of respondents will divest most of their fleets to employee ownership.

Similarly, 95 percent of respondents do not plan any changes in sizes or types of vehicles used in their fleet operations. For the five percent of respondents planning to change vehicle size or type, most said they will move up to mid-size from compact cars—the opposite of last year's results.

In another area of consistency, responding fleet managers selected all the same options for their "option wish list" as they selected last year. Again this year, if fleet managers could have their choice of options on cars, vans and light-duty trucks, they would choose:

- Air Conditioning
- All-Season Tires
- AM/FM Radio
- Automatic Transmission
- Dual Side Mirrors
- Floor Mats
- Fuel Injection
- Power Brakes
- Power Steering
- Pulse Wipers
- Rear Defroster
- Tinted Glass

Those options not high on fleet managers' "wish lists" for the second straight year are: AM/FM cassette stereo, cellular phone, mud guards, optional paint, power door locks, power gas cap release, power seats, power trunk release, power windows, split

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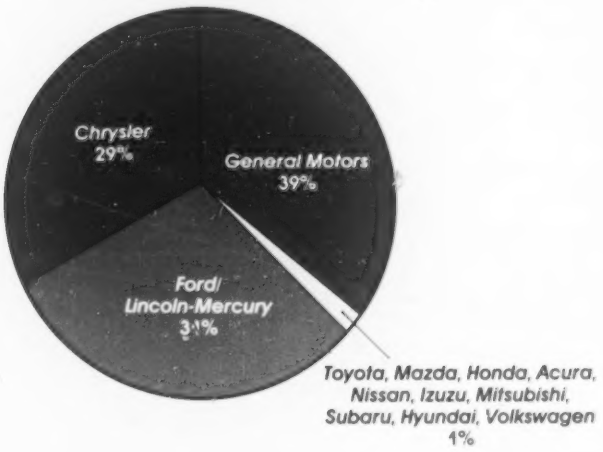
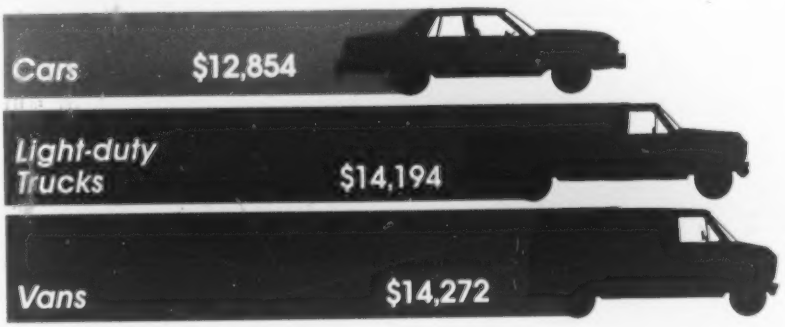
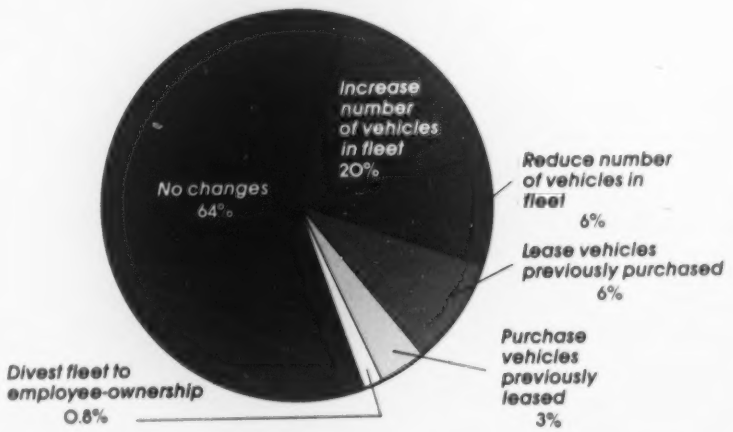
From Whom Are Fleets Buying?



Expected 1990 Model Vehicle Purchase Prices



Fleets Planning Changes In Size and/or Buying/Leasing Policies



Fleet Managers' Option Wish List

If they could, here are the options fleet managers would have on each vehicle.

Sub-Compacts

Air Conditioning
All-Season Tires
Auto. Transmiss.
Dual Side Mirrors
Floor Mats
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tinted Glass
4-cyl. engine

Compacts

Air Conditioning
All-Season Tires
AM/FM Radio
Auto. Transmiss.
Dual Side Mirrors
Floor Mats
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tinted Glass
4-cyl. engine

Mid-Size

Air Conditioning
All-Season Tires
AM/FM Radio
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tilt Wheel
Tinted Glass
6-cyl. engine

Full

Air Conditioning
All-Season Tires
AM/FM Radio
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirror
Floor Mats
Fuel Injection
Power Brakes
Power Locks
Power Steering
Pulse Wipers
Rear Defrost
Split Front Seat
Tilt Wheel
Tinted Glass
6-cyl. engine

Luxury

Air Conditioning
All-Season Tires
AM/FM Cass. Stereo
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Locks
Power Seats
Power Steering
Power Trunk Release
Power Windows
Pulse Wipers
Rear Defrost
Split Front Seat
Tilt Wheel
Tinted Glass
6-cyl. engine

Mini-Van

Air Conditioning
Air Conditioning
AM/FM Radio
Auto. Transmiss.
Clock
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Rear Defrost
Tilt Wheel
Tinted Glass
6-cyl. engine

Full Van

Air Conditioning
Air Conditioning
AM/FM Radio
Auto. Transmiss.
Cruise Control
Dual Side Mirrors
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Tinted Glass
6-cyl. engine

Light-Duty Truck

Air Conditioning
Air Conditioning
AM/FM Radio
Auto. Transmiss.
Dual Side Mirror
Floor Mats
Fuel Injection
Power Brakes
Power Steering
Pulse Wipers
Tinted Glass
V-8 engine
Hvy. Dty. Suspsn.
Hvy. Dty. Battery
Block Heater

Made In The USA

(continued from page 13)

front seat and vinyl roof.

(Be sure to read the following article on the "Consensus Opinion Option Package Plan" which NAFA recently presented to all the manufacturers.)

Respondent Demographics

NAFA's 1990 Model Year New Vehicle Acquisition Survey received responses from 436 fleet managers: 379 from the United States and 57 from Canada. Four of five (346) responses were from commercial fleets, while 90 were from public service fleets.

Responding fleets control 377,453 vehicles: 195,511 (52 percent) company-owned and 181,942 (48 percent) leased. Automobiles comprise 64 percent of these fleets, light-duty trucks 19 percent and vans 17 percent.

Why Do You Choose The Vehicles You Choose?

Although we changed the survey format and more than doubled the list of factors from which you could choose, NAFA Members again, for the sixth straight year, overwhelmingly state "Initial Cost" as the single most important factor in deciding which vehicles to buy.

With 15 factors on the list (last year there were seven), we asked you to rank each one according to the following scale:

1 = Most Important (considered every time; great weight given)
2 = Very Important (considered most times; significant weight given)
3 = Important (considered most times; average weight given)
4 = Somewhat Important (considered sometimes; some weight given)
5 = Little Importance (considered occasionally; little weight given)
6 = No Importance (not considered; no weight given)

Still, despite the fact other industry publications say it should be otherwise, 450 responding fleet managers gave "Initial Cost" an overall average of 1.733. The next closest average was for one of the new factors on the list, "Job Suitability," (i.e. how well the vehicle was suited for the job it was intended to do) which came in at 2.0777. The closest repeat factor from last year's list was "Economy of Operation" which averaged 2.5355.

The complete list, then, in order of most important to least importance was:

Initial Cost	**1.7333**
Job Suitability*	**2.0777**
Repair Record*	**2.4955**
Economy of Operation	**2.5355**
Depreciation/Resale Value	**2.5844**
Serviceability	**2.6755**
Safety Record*	**2.7577**
Warranty Program*	**2.9733**
Order/Delivery Time/Distribution*	**3.1022**
Country Where Manufactured*	**3.2755**
Company Image/Prestige	**3.4288**
Driver Preference*	**3.8088**
Administrative Ease	**3.9888**
Insurance Costs*	**4.1466**
Fringe Benefit	**4.4177**

*New factor; not on list last year.

To compare last year's results with this year's, "Initial Cost" was number one both years, "Economy of Operation" was number two last year, "Depreciation" was third, "Serviceability" fourth, "Fringe Benefit" fifth, "Company Prestige" sixth and "Administrative Ease" seventh. In other words, only "Fringe Benefit" changed significantly with its drop from fifth to last, while all others stayed the same.

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NAFA Fleet Executive

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NAFA's 1990
Personal Use Survey Results

The Personal Use Survey, an annual NAFA study, explores NAFA Member fleets' policies and practices regarding the personal use of company (organization) fleet vehicles. The results of the survey are published to enable fleet managers to compare their own personal use policies and practices with those of other fleets.

Two questionnaires and cover letters (one for U.S. fleets and the other for Canadian) were mailed to all NAFA Members.

By the May 25, 1990 cut-off date, a total of 645 – 531 U.S. and 114 Canadian – completed questionnaires were received at NAFA headquarters, representing 31% of the Membership. NAFA thanks those who took the time to complete the questionnaire. Here's what your answers indicated.

Number of Owned and Leased Vehicles

	U.S. Fleets	Canadian Fleets	Total in Survey
Company-Owned	375,638	66,289	441,927
Leased	347,279	22,561	369,840
Total	722,917	88,850	811,767

Does Your Company Allow Personal Use of a Fleet Vehicle by Employees?

	U.S.		Canada	
	% Yes	% No	% Yes	% No
All Fleets	**83**	**17**	**87**	**13**
Drugs & Cosmetics	97	3	100	0
Chemicals & Petroleum	90	10	93	7
Public Utility	54	46	50	50
Communication	100	0	40	60
Food & Beverage	100	0	100	0
Industrial Manufacturing	98	2	100	0
Government	38	62	33	67
Service Organization	78	22	67	33
Insurance	100	0	100	0
Consumer Mfg.	100	0	100	0
Banking/Finance	84	16	100	0
Electronics	89	11	100	0
Other	80	20	92	8

NAFA's 1990 Personal Use Survey had an increase of 35 responses over last year's survey and represents a 31% return. As was the case last year and the year before, the Government industry classification had the most responses from the United States; from Canada, the most responses were received from those in Drugs and Cosmetics.

The fleet managers who answered our survey control over three-quarters of a million vehicles (811,767), of which 441,927 are company-owned and 369,840 are leased.

In the U.S., the average fleet vehicle is driven 2,057 miles each month, out of which 339 miles, or 16%, are for personal use. The average fleet vehicle in Canada is driven 2,793 kilometers each month, of which 507, or 19%, is for personal use.

Personal Use Allowed

In the U.S., 83% of our respondents allow personal use of a company-owned or leased vehicle. In Canada, that figure is slightly higher at 87%. For the most part (an average of 92%), no maximum limits have been set for the amount of miles or kilometers an employee may put on a vehicle for personal use. For those indicating that they do impose a maximum, the average amount in the U.S. is 792 miles per month; in Canada it is 998 kilometers per month.

A large number of respondents (88%) said that personal use is allowed at all times. The answers varied widely from U.S. respondents. For instance, 100% of the respondents in Drugs and Cosmetics indicated personal use is allowed at all times, while 68% in Banking/Finance and 15% in Government indicated so.

Almost all of our Canadian respondents allow personal use at all times. The exceptions are Government (75%) and Public Utility (0).

Fair Market Value

Only our U.S. Members were asked how they determine the fair market value of vehicles that employees drive for personal use. Cost of vehicle accounted for 46% of the responses, while 18% add 4% to cost (safe harbor).

Who Else Uses the Vehicle?

In the U.S., 78% indicated that employee spouses are allowed to use a company vehicle for personal use. In addition, nearly one-third (31%) indicated that employees' licensed children are permitted. Survey responses indicate that in Canada, the policy on this issue is more lenient (93% and 71% allow spouses and children, respectively).

Do fleet managers have a policy stating a minimum age requirement for persons other than employees to drive a fleet vehicle for personal use? Almost two-thirds, or 61% both in the U.S. and Canada, do not. Of those that do have such a policy, 18% said that the requirement is that the driver be 21-24 years of age.

Charging for Personal Use

Fleet managers in the U.S. charge employees for personal use (84%); in Canada, the figure is 64%. When asked "How do you determine what to charge employees for personal use of a fleet vehicle?," 33% of U.S. and 35% of Canadian respondents indicated annual lease value. How employees are charged in the U.S. is by cents per mile (38%). The average charge is 18.6 cents per mile, which is deducted from salaries (53%). Payroll deductions (average $120.50 per month, deducted from salaries accounted for 41% of Canadian responses.

Who Pays for Repairs?

By and large, employees do not pay any portion of repair costs resulting from accidents during personal use (75% U.S., 56% Canada). In cases where employees are charged repair costs, 43% in the U.S. and 61% in Canada charge the insurance deductible. In the U.S., the average insurance deductible is $255.40 and in Canada it is $271.40.

No Assigned Vehicle

Do employees with no assigned fleet vehicles use personal vehicles for business? The figures for both U.S. and Canada were 88% responding "yes." About 85% of these employees in the U.S. and in Canada are reimbursed with a per mile rate.

In cases where an assigned vehicle is inoperable, 78% of U.S. fleet managers responding to this survey indicated that they authorize the employee to use their personal vehicle and reimburse them based on cents per mile. In Canada, 88% of respondents indicated that they issue a rented vehicle.

Who Gets a Vehicle?

The majority of fleet managers in the U.S. and Canada (62% and 70%, respectively) issue company vehicles based on an employee's job function. Job title came in second with an average of 54%.

Summary

The personal use data gathered by NAFA provides fleet managers with a detailed history surrounding the complex issue of personal use of company vehicles and business use of personal vehicles.

Total respondents continues to increase each year. Total vehicles in surveyed fleets has increased dramatically. The 1989 survey indicated a survey total of 544,599 vehicles; in 1990 that figure rose to 811,767.

Figures for allowing personal use have remained at about 90%, while charging for personal use has slightly increased. Last year in the U.S., 78.5% of fleets charged employees; this year, the figure jumped to 84%. The Canadian figure in this category has remained at 64% from 1989.

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How Many Miles/Kilometers Per Month is Your Typical Fleet Vehicle Driven?

	U.S.	Canada
All Fleets	**2,057**	**2,794**
Drugs & Cosmetics	2,097	2,658
Chemicals & Petroleum	2,149	3,007
Public Utility	1,876	2,000
Communication	1,969	1,600
Food & Beverage	2,122	2,356
Industrial Manufacturing	2,216	2,933
Government	1,753	2,525
Service Organization	1,935	2,750
Insurance	2,039	2,913
Consumer Manufacturing	2,267	3,064
Banking/Finance	1,693	1,347
Electronics	2,301	2,600
Other	1,953	2,977

How Many Miles/Kilometers of this is for Personal Use?

	U.S.	Canada
All Fleets	**354/17%**	**507/19%**
Drugs& Cosmetics	304/16%	369/14%
Chemicals & Pet.	289/15%	628/21%
Public Utility	412/25%	700/35%
Communication	454/20%	80/5%
Food & Beverage	298/15%	363/17%
Industrial Mfg.	332/16%	493/19%
Government	332/16%	563/19%
Service Organization	400/21%	110/5%
Insurance	336/18%	841/30%
Consumer Mfg.	337/15%	485/15%
Banking/Finance	291/16%	742/55%
Electronics	597/26%	780/30%
Other	353/19%	628/23%

Have You Set a Maximum Limitfor Personal Miles/Kilometers?

	U.S.		Canada	
	% Yes	% No	% Yes	% No
All Fleets	**8**	**92**	**4**	**96**
Drugs & Cosmetics	5	95	0	100
Chemicals & Pet.	6	94	8	92
Public Utility	0	100	0	100
Communication	11	89	0	100
Food & Beverage	3	97	14	86
Industrial Mfg.	8	92	0	100
Government	20	80	0	100
Service Organization	0	100	0	100
Insurance	11	89	20	80
Consumer Mfg.	7	93	13	87
Banking/Finance	13	87	0	100
Electronics	0	100	0	100
Other	15	85	0	100

Maximum Limit Set for Personal Use Per Month (Averaged)

	U.S.	Canada
All Fleets	**792**	**998**
Drugs & Cosmetics	841	0
Chemicals & Pet.	900	1,900
Public Utility	0	0
Communication	833	0
Food & Beverage	433	90
Industrial Mfg.	950	0
Government	568	0
Service Organization	0	0
Insurance	684	1,000
Consumer Mfg.	948	1,000
Banking/Finance	800	0
Electronics	0	0
Other	874	0

Under Which Conditions May a Fleet Vehicle be Driven for Personal Use?

1 = At all times/whenever necessary.
2 = Only to and from work.
3 = Only while working.
4 = Only on weekends and holidays.
5 = Only on vacations.
6 = Other.

U.S.

	% 1	% 2	% 3	% 4	% 5	% 6
All Fleets	**86**	**9**	**1**	**0**	**#**	**3**
Drugs & Cosmetics	100	0	0	0	0	0
Chemicals & Petroleum	79	9	3	0	3	6
Public Utility	56	29	0	0	5	10
Communication	67	33	0	0	0	0
Food & Beverage	92	5	0	0	0	3
Industrial Mfg.	100	0	0	0	0	0
Government	15	69	8	0	0	8
Service Organization	83	11	0	0	0	6
Insurance	93	2	2	0	0	3
Consumer Mfg.	98	0	0	0	0	2
Banking/Finance	68	19	0	0	0	13
Electronics	100	0	0	0	0	0
Other	94	2	0	0	0	4

 # Less than 0.5%

Canada

	% 1	% 2	% 3	% 4	% 5	% 6
All Fleets	**98**	**1**	**0**	**0**	**0**	**1**
Drugs & Cosmetics	100	0	0	0	0	0
Chemicals & Petroleum	100	0	0	0	0	0
Public Utility	0	0	0	0	0	100
Communication	100	0	0	0	0	0
Food & Beverage	100	0	0	0	0	0
Industrial Mfg.	100	0	0	0	0	0
Government	75	25	0	0	0	0
Service Organization	100	0	0	0	0	0
Insurance	100	0	0	0	0	0
Consumer Mfg.	100	0	0	0	0	0
Banking/Finance	100	0	0	0	0	0
Electronics	100	0	0	0	0	0
Other	100	0	0	0	0	0

How Do You Determine the Fair Market Value of Your Vehicles That Employees Drive for Personal Use? *

1 = Cost of vehicle.
2 = Cost of vehicle less sales tax.
3 = Cost of vehicle less incentives.
4 = Add 4% to cost (safe harbor).
5 = Other.

	% 1	% 2	% 3	% 4	% 5
All Fleets	**46**	**7**	**7**	**18**	**22**
Drugs & Cosmetics	30	8	8	32	22
Chemicals & Petrol.	46	9	9	12	24
Public Utility	44	6	11	0	39
Communication	78	0	11	0	11
Food & Beverage	58	8	0	17	17
Industrial Mfg.	40	7	7	32	14
Government	59	8	0	4	29
Service Organization	44	6	0	19	31
Insurance	46	9	8	15	22
Consumer Mfg.	52	3	5	25	15
Banking/Finance	65	14	7	0	14
Electronics	37	0	25	13	25
Other	32	10	12	17	29

*U.S. only.

Who, Besides the Employee, is Allowed to Use a Company Vehicle for Personal Use? (Circle as many as apply)

1 = No one.
2 = Employee's spouse.
3 = Employee's licensed children.
4 = Other.

	U.S.				Canada			
	% 1	% 2	% 3	%4	% 1	% 2	% 3	% 4
All Fleets	**21**	**78**	**31**	**8**	**4**	**93**	**71**	**13**
Drugs & Cosmetics	0	97	54	13	0	100	86	9
Chemicals & Petrol.	29	71	35	9	0	92	92	8
Public Utility	57	38	24	5	0	0	0	100
Communication	44	44	33	0	0	100	100	0
Food & Beverage	10	93	43	10	14	86	71	14
Industrial Mfg.	10	87	35	8	0	100	65	10
Government	96	0	0	4	75	25	0	0
Service Organization	17	83	22	0	0	100	50	0
Insurance	6	93	24	10	0	100	80	20
Consumer Mfg.	4	91	36	16	0	100	75	38
Banking/Finance	44	69	25	0	0	100	100	100
Electronics	38	63	0	0	0	100	0	0
Other	13	87	30	7	0	92	58	8

What Minimum Age Have You Set for Persons Other Than Employees to Drive a Fleet Vehicle for Personal Use?

1 = None.
2 = Under 18.
3 = 18 - 20.
4 = 21 - 24.
5 = 25 and over.

	U.S.					Canada				
	%1	%2	%3	%4	%5	%1	%2	%3	%4	%5
All Fleets	**62**	**3**	**10**	**20**	**5**	**60**	**4**	**13**	**10**	**13**
Drugs & Cosmetics	59	0	10	28	3	63	14	9	9	5
Chemicals & Petrol.	61	3	13	23	0	66	0	20	7	7
Public Utility	54	13	5	23	5	100	0	0	0	0
Communication	56	1	0	22	11	60	0	0	40	0
Food & Beverage	63	3	13	18	3	72	0	14	0	14
Industrial Mfg.	54	3	11	11	21	40	0	20	20	20
Government	66	3	11	17	3	46	0	27	0	27
Service Organization	58	4	4	30	4	100	0	0	0	0
Insurance	69	3	6	19	3	60	20	20	0	0
Consumer Mfg.	60	2	11	20	7	72	0	14	14	0
Banking/Finance	63	0	26	0	11	0	0	0	100	0
Electronics	78	0	0	22	0	100	0	0	0	0
Other	59	0	15	24	2	62	0	0	0	38

Are Employees Charged for Personal Use of a Fleet Vehicle?

	U.S.		Canada	
	%Yes	% No	%Yes	% No
All Fleets	**84**	**16**	**64**	**36**
Drugs & Cosmetics	82	18	64	36
Chemicals & Petrol.	86	14	69	31
Public Utility	82	18	0	100
Communication	89	11	100	0
Food & Beverage	82	18	43	57
Industrial Mfg.	95	5	55	45
Government	59	41	50	50
Service Organization	67	33	100	0
Insurance	91	9	80	20
Consumer Mfg.	82	18	75	25
Banking/Finance	81	19	100	0
Electronics	100	0	100	0
Other	76	24	67	33

Note: Some fleets do not permit personal use.

How Do You Determine What to Charge Employees for Personal Use of a Fleet Vehicle?

1 = Annual lease value.
2 = Average cents per mile expense.
3 = Total fleet average.
4 = Other.

	U.S.				Canada			
	% 1	% 2	% 3	% 4	% 1	% 2	% 3	% 4
All Fleets	**33**	**20**	**11**	**36**	**36**	**23**	**11**	**30**
Drugs & Cosmetics	22	38	9	31	33	7	27	33
Chemicals & Petrol.	33	17	7	43	40	50	0	10
Public Utility	21	26	0	53	0	0	0	0
Communication	25	13	0	62	0	0	0	100
Food & Beverage	41	28	9	22	33	0	0	67
Industrial Mfg.	40	12	17	31	50	20	0	30
Government	0	25	0	75	33	33	34	0
Service Organization	17	0	17	66	100	0	0	0
Insurance	39	13	8	40	0	75	0	25
Consumer Mfg.	37	17	17	29	33	0	33	34
Banking/Finance	33	50	0	17	0	0	0	100
Electronics	43	14	29	14	100	0	0	0
Other	40	18	18	24	29	42	0	29

How Are U.S. Employees Charged for Personal Use and How Much?

1 = Per mile charge.
2 = Flat weekly charge.
3 = Flat monthly charge.
4 = Combination per mile/flat charge.
5 = Graduated scale.
6 = Other.

	% 1	% 2	% 3	% 4	% 5	% 6
All Fleets	**38**	**11**	**29**	**15**	**#**	**7**
Drugs & Cosmetics	47	3	30	17	0	3
Chemicals & Petrol.	47	8	29	8	0	8
Public Utility	47	18	0	29	0	6
Communication	29	43	14	0	0	14
Food & Beverage	26	13	36	19	0	6
Industrial Mfg.	32	4	37	19	0	8
Government	27	59	7	0	0	7
Service Organization	9	0	64	27	0	0
Insurance	38	10	24	14	0	14
Consumer Mfg.	53	6	26	9	3	3
Banking/Finance	55	0	27	18	0	0
Electronics	17	33	50	0	0	0
Other	34	7	31	21	0	7

Average charge: 18.6 cents per mile or $73.40 per month.
 # Less than 0.5%.

How Are Canadian Employees Charged for Personal Use and How Much?

1 = Payroll deduction for taxable benefits.
2 = Per kilometer charge.
3 = Flat weekly charge.
4 = Flat monthly charge.
5 = Combination per kilometer/flat charge.
6 = Graduated scale.
7 = Other.

	% 1	% 2	% 3	% 4	% 5	% 6	% 7
All Fleets	**41**	**27**	**6**	**14**	**5**	**2**	**5**
Drugs & Cosmetics	40	0	13	47	0	0	0
Chemicals & Petrol.	50	40	0	0	10	0	0
Public Utility	0	0	0	0	0	0	0
Communication	0	50	50	0	0	0	0
Food & Beverage	67	0	0	0	0	33	0
Industrial Mfg.	46	18	0	18	18	0	0
Government	50	50	0	0	0	0	0
Service Organization	50	0	50	0	0	0	0
Insurance	50	25	0	0	0	0	25
Consumer Mfg.	40	40	0	0	0	0	20
Banking/Finance	0	100	0	0	0	0	0
Electronics	100	0	0	0	0	0	0
Other	25	62	0	0	0	0	13

Average charge: $120.50 per month, deducted; $78 per month, flat rate.

How Are These Charges Collected? (Circle as many as apply)

1 = Expense report.
2 = Salary deduction.
3 = Other.

	U.S.			Canada		
	% 1	% 2	% 3	% 1	% 2	% 3
All Fleets	**40**	**53**	**19**	**39**	**61**	**8**
Drugs & Cosmetics	61	42	10	13	87	0
Chemicals & Petrol.	33	37	33	30	50	20
Public Utility	6	78	22	0	0	0
Communication	13	63	25	0	50	50
Food & Beverage	39	58	18	67	33	0
Industrial Mfg.	51	58	10	30	80	0
Government	6	63	44	50	100	50
Service Organization	33	92	0	50	50	0
Insurance	46	47	17	75	25	0
Consumer Mfg.	56	33	19	50	67	0
Banking/Finance	38	31	31	100	0	0
Electronics	13	63	25	0	100	0
Other	32	62	21	75	25	13

Is Any Portion of Repair Costs Resulting from Accidents During Personal Use Charged to Employees?

	U.S.		Canada	
	% Yes	% No	% Yes	% No
All Fleets	**25**	**75**	**44**	**56**
Drugs & Cosmetics	23	77	64	36
Chemicals & Petrol.	21	79	23	77
Public Utility	0	100	0	100
Communication	33	67	50	50
Food & Beverage	31	69	29	71
Industrial Mfg.	25	75	35	65
Government	20	80	50	50
Service Organization	24	76	67	33
Insurance	28	72	60	40
Consumer Mfg.	30	70	38	62
Banking/Finance	13	87	100	0
Electronics	50	50	100	0
Other	27	73	42	58

If Employees are Charged for Accidents During Personal Use, What Amount do You Charge?

1 = Full amount of damage.
2 = Fixed dollar amount.
3 = Fixed percentage of cost.
4 = Insurance deductible.

	U.S.				Canada			
	% 1	% 2	% 3	% 4	% 1	% 2	% 3	%4
All Fleets	**8**	**40**	**9**	**43**	**2**	**35**	**2**	**61**
Drugs & Cosmetics	0	36	27	37	0	7	0	93
Chemicals & Petrol.	0	67	0	33	0	75	0	25
Public Utility	0	0	0	0	0	0	0	0
Communication	50	25	0	25	0	0	0	100
Food & Beverage	0	67	0	33	50	0	0	50
Industrial Mfg.	7	53	0	40	0	50	0	50
Government	33	0	33	34	0	50	0	50
Service Organization	0	0	20	80	0	100	0	0
Insurance	6	53	6	35	0	50	0	50
Consumer Mfg.	15	15	15	55	0	25	0	75
Banking/Finance	50	50	0	0	0	0	0	100
Electronics	0	20	0	80	0	100	0	0
Other	0	40	13	47	0	40	20	40

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Do Any of Your Employees with No Assigned Fleet Vehicles Use Personally Owned Vehicles for Business?

	U.S.		Canada	
	% Yes	% No	% Yes	% No
All Fleets	**88**	**12**	**88**	**12**
Drugs & Cosmetics	87	13	77	23
Chemicals & Petrol.	74	26	80	20
Public Utility	92	8	100	0
Communication	100	0	100	0
Food & Beverage	90	10	86	14
Industrial Mfg.	97	3	89	11
Government	77	23	100	0
Service Organization	91	9	100	0
Insurance	90	10	100	0
Consumer Mfg.	91	9	100	0
Banking/Finance	94	6	100	0
Electronics	89	11	100	0
Other	84	16	85	15

If an Assigned Vehicle is Inoperable, What Means of Transportation are Authorized? (Circle as many as apply)

1 = Employee's personally owned vehicle.
2 = Pool vehicle.
3 = Rented vehicle.
4 = District manager's vehicle.
5 = Other.

	U.S.					Canada				
	% 1	% 2	% 3	% 4	% 5	% 1	% 2	% 3	% 4	% 5
All Fleets	**79**	**71**	**76**	**16**	**6**	**56**	**54**	**88**	**8**	**10**
Drugs & Cosmetics	90	51	95	8	5	32	26	95	0	11
Chemicals & Petrol.	66	76	86	21	10	38	77	85	0	8
Public Utility	78	94	53	22	8	100	50	100	0	0
Communication	67	100	56	22	0	40	100	80	0	20
Food & Beverage	78	56	89	11	3	33	33	100	17	0
Industrial Mfg.	82	52	93	21	7	71	41	88	0	6
Government	73	100	17	8	3	83	75	83	17	17
Service Organization	76	62	81	24	0	67	100	100	67	0
Insurance	87	79	95	20	7	80	60	80	0	0
Consumer Mfg.	83	59	98	15	5	63	50	100	13	25
Banking/Finance	83	83	72	17	11	100	0	100	0	0
Electronics	100	57	86	14	0	100	100	100	0	0
Other	67	63	76	14	8	55	55	73	18	9

How are Employees With no Assigned Fleet Vehicle Reimbursed for Business Use of a Personally Owned Vehicle?

1 = Per mile rate only.
2 = Flat weekly rate.
3 = Flat monthly rate.
4 = Combination per mile/flat rate.
5 = Graduated scale.
6 = Other.

U.S.

	% 1	% 2	% 3	% 4	% 5	%6
All Fleets	**86**	**#**	**4**	**7**	**2**	**1**
Drugs & Cosmetics	91	0	0	9	0	0
Chemicals & Petrol.	100	0	0	0	0	0
Public Utility	80	0	3	14	3	0
Communication	78	0	0	22	0	0
Food & Beverage	89	0	11	0	0	0
Industrial Mfg.	83	0	7	7	3	0
Government	87	0	9	2	0	2
Service Organization	75	5	5	15	0	0
Insurance	93	0	0	2	3	2
Consumer Mfg.	81	0	0	13	3	3
Banking/Finance	88	0	6	6	0	0
Electronics	38	0	0	49	0	13
Other	82	0	6	10	2	0

 # Less than 0.5%.

Canada

All Fleets	**81**	**0**	**5**	**2**	**10**	**2**
Drugs & Cosmetics	89	0	0	11	0	0
Chemicals & Petrol.	92	0	0	0	0	8
Public Utility	50	0	0	0	50	0
Communication	20	0	20	0	60	0
Food & Beverage	100	0	0	0	0	0
Industrial Mfg.	88	0	6	0	0	6
Government	67	0	0	0	33	0
Service Organization	67	0	33	0	0	0
Insurance	75	0	0	0	25	0
Consumer Mfg.	87	0	13	0	0	0
Banking/Finance	100	0	0	0	0	0
Electronics	100	0	0	0	0	0
Other	82	0	9	0	9	0

How are Employees Reimbursed for Business Use of a Personally Owned Vehicle When an Assigned Fleet Vehicle is Inoperable?

1 = Per mile rate only.
2 = Flat weekly rate.
3 = Flat monthly rate.
4 = Combination per mile/flat rate.
5 = Graduated scale.
6 = Other.

U.S.

	% 1	% 2	% 3	% 4	% 5	% 6
All Fleets	**95**	**#**	**#**	**1**	**2**	**1**
Drugs & Cosmetics	97	0	0	0	0	3
Chemicals & Petrol.	100	0	0	0	0	0
Public Utility	88	0	0	6	6	0
Communication	87	0	0	13	0	0
Food & Beverage	97	3	0	0	0	0
Industrial Mfg.	91	0	2	2	3	2
Government	98	0	2	0	0	0
Service Organization	94	0	0	6	0	0
Insurance	94	2	0	0	2	2
Consumer Mfg.	92	0	0	3	5	0
Banking/Finance	100	0	0	0	0	0
Electronics	74	0	0	0	13	13
Other	100	0	0	0	0	0

 # Less than 0.5%

Canada

All Fleets	**89**	**0**	**1**	**0**	**7**	**3**
Drugs & Cosmetics	100	0	0	0	0	0
Chemicals & Petrol.	91	0	0	0	0	9
Public Utility	100	0	0	0	0	0
Communication	50	0	0	0	50	0
Food & Beverage	83	0	17	0	0	0
Industrial Mfg.	100	0	0	0	0	0
Government	73	0	0	0	27	0
Service Organization	50	0	0	0	0	50
Insurance	100	0	0	0	0	0
Consumer Mfg.	83	0	0	0	0	17
Banking/Finance	100	0	0	0	0–	0
Electronics	100	0	0	0	0	0
Other	92	0	0	0	8	0

What Factors Govern Assignment of Fleet-Provided Vehicles? (Circle as many as apply)

1 = Annual business miles driven.
2 = Fringe benefit.
3 = Job title.
4 = Job function.
5 = Other.

	U.S.					Canada				
	% 1	% 2	% 3	% 4	% 5	% 1	% 2	% 3	% 4	% 5
All Fleets	**44**	**22**	**57**	**62**	**7**	**27**	**38**	**52**	**70**	**7**
Drugs & Cosmetics	30	18	52	68	5	5	41	59	68	5
Chemicals & Petrol.	46	24	41	68	5	47	40	53	53	0
Public Utility	28	25	49	67	5	50	50	0	100	0
Communication	33	22	56	78	0	20	20	40	60	20
Food & Beverage	43	28	75	48	8	29	43	71	57	0
Industrial Mfg.	54	16	68	59	5	25	45	75	85	0
Government	36	15	43	81	14	50	17	17	58	8
Service Organization	36	45	77	50	0	33	67	33	100	0
Insurance	69	25	57	48	7	40	60	40	40	40
Consumer Mfg.	40	16	49	64	7	13	38	25	100	25
Banking/Finance	68	37	68	63	5	0	0	100	0	0
Electronics	22	22	67	78	11	100	100	100	100	0
Other	38	26	62	59	9	23	23	54	77	8

Within the Past Two Years, has the Internal Revenue Service/Revenue Canada Conducted an Audit of your Company or Organization Which Included Your Fleet's Personal Use Policies?

	U.S.			Canada		
	% Yes	% No	% Don't Know	% Yes	% No	% Don't Know
All Fleets	**8**	**66**	**26**	**16**	**66**	**18**
Drugs & Cosmetics	10	64	26	18	68	14
Chemicals & Petrol.	0	77	23	7	66	27
Public Utility	13	45	42	0	50	50
Communication	0	78	22	20	40	40
Food & Beverage	15	57	28	14	57	29
Industrial Mfg.	13	63	24	10	85	5
Government	1	71	28	25	67	8
Service Organization	17	61	22	33	33	34
Insurance	9	73	18	20	60	20
Consumer Mfg.	7	75	18	13	74	13
Banking/Finance	16	47	37	0	100	0
Electronics	0	78	22	0	100	0
Other	2	69	29	23	54	23

How Many Owned and Leased Vehicles (Cars, Vans, Light Trucks) Do You Have in Your Fleet?

1 = None.
2 = 1 - 50.
3 = 50 - 100.
4 = 101 - 800.
5 = 801 - 1,000.
6 = More than 1,000.

	% 1	% 2	% 3	% 4	% 5	% 6
U.S. - Owned						
All Fleets	**26**	**23**	**7**	**31**	**3**	**10**
Drugs & Cosmetics	57	33	5	5	0	0
Chemicals & Petrol.	28	28	8	28	0	8
Public Utility	8	10	8	50	3	21
Communication	11	22	0	45	0	22
Food & Beverage	31	20	13	23	5	8
Industrial Mfg.	33	33	10	16	3	5
Government	0	4	3	52	7	34
Service Organization	26	17	17	27	4	9
Insurance	25	37	4	27	1	6
Consumer Mfg.	40	27	9	18	2	4
Banking/Finance	11	16	5	68	0	0
Electronics	45	11	0	22	11	11
Other	35	25	8	25	5	2
U.S. - Leased						
All Fleets	**31**	**8**	**7**	**38**	**4**	**12**
Drugs & Cosmetics	3	0	8	38	8	43
Chemicals & Petrol.	13	10	8	61	3	5
Public Utility	48	13	8	23	3	5
Communication	44	11	0	45	0	0
Food & Beverage	18	5	0	52	5	20
Industrial Mfg.	14	8	8	45	6	19
Government	73	18	4	5	0	0
Service Organization	22	0	0	52	4	22
Insurance	35	9	12	31	6	7
Consumer Mfg.	13	7	9	64	7	0
Banking/Finance	58	16	0	26	0	0
Electronics	45	0	0	11	11	33
Other	29	2	14	39	2	14

How Many Owned and Leased Vehicles (Cars, Vans, Light Trucks) Do You Have in Your Fleet?

1 = None.
2 = 1 - 50.
3 = 50 - 100.
4 = 101 - 800.
5 = 801 - 1,000.
6 = More than 1,000.

Canadian - Owned

	% 1	% 2	% 3	% 4	% 5	% 6
All Fleets	**54**	**13**	**6**	**19**	**1**	**7**
Drugs & Cosmetics	67	14	5	14	0	0
Chemicals & Petrol.	47	20	13	20	0	0
Public Utility	50	0	0	50	0	0
Communication	20	20	20	40	0	0
Food & Beverage	43	14	0	43	0	0
Industrial Mfg.	70	25	0	0	0	5
Government	8	0	0	25	8	59
Service Organization	33	0	0	67	0	0
Insurance	100	0	0	0	0	0
Consumer Mfg.	74	13	0	13	0	0
Banking/Finance	100	0	0	0	0	0
Electronics	0	0	0	100	0	0
Other	46	8	23	23	0	0

Canadian - Leased

All Fleets	**18**	**18**	**16**	**42**	**4**	**2**
Drugs & Cosmetics	14	14	36	36	0	0
Chemicals & Petrol.	13	13	7	60	0	7
Public Utility	0	0	0	0	100	0
Communication	20	20	40	20	0	0
Food & Beverage	14	14	0	72	0	0
Industrial Mfg.	0	35	10	45	5	5
Government	42	42	0	8	8	0
Service Organization	67	0	0	33	0	0
Insurance	0	0	0	100	0	0
Consumer Mfg.	13	0	25	62	0	0
Banking/Finance	0	0	0	100	0	0
Electronics	100	0	0	0	0	0
Other	31	8	23	38	0	0

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NAFA's 1990 Personal Use Survey
Number of Returns

Industry Classification	U.S.	Canada	Total
Drugs & Cosmetics	40	22	62
Chemicals & Petroleum	39	15	54
Public Utility	39	2	41
Communication	9	5	14
Food & Beverage	40	7	47
Industrial Manufacturing	63	20	83
Government	76	12	88
Service Organization	23	3	26
Insurance	67	5	72
Consumer Manufacturing	45	8	53
Banking/Finance	19	1	20
Electronics	9	1	10
Other	59	13	72
Grand Total	**531**	**114**	**645**

1990 Personal Use Survey Results At-A-Glance

U.S.

- Average fleet vehicle driven 2,057 miles each month.Personal use accounts for 339 miles, or 16% of total.
- Personal use of a company-owned vehicle is allowed by 83% of survey respondents.
- Personal use of a company-owned vehicle is allowed **at all times** by 88% of respondents.
- Employee's spouse is permitted personal use of a company-owned vehicle by 78% of respondents.
- Employee's licensed children are permitted personal use ofa company-owned vehicle by 31% of respondents.
- 75% of respondents do not charge employees any portionof repair costs resulting from accidents during personal use of a company-owned vehicle.

Canada

- Average fleet vehicle driven 2,793 kilometers each month.Personal use accounts for 507 kilometers, or 19% of total.
- Personal use of a company-owned vehicle is allowed by 87% of survey respondents.
- Personal use of a company-owned vehicle is allowed **at all times** by over 90% of respondents.
- Employee's spouse is permitted personal use of a company-owned vehicle by 93% of respondents.
- Employee's licensed children are permitted personal use of a company-owned vehicle 71% of respondents.
- 56% of respondents do not charge employees any portion of repair costs resulting from accidents during personal use of a company-owned vehicle.